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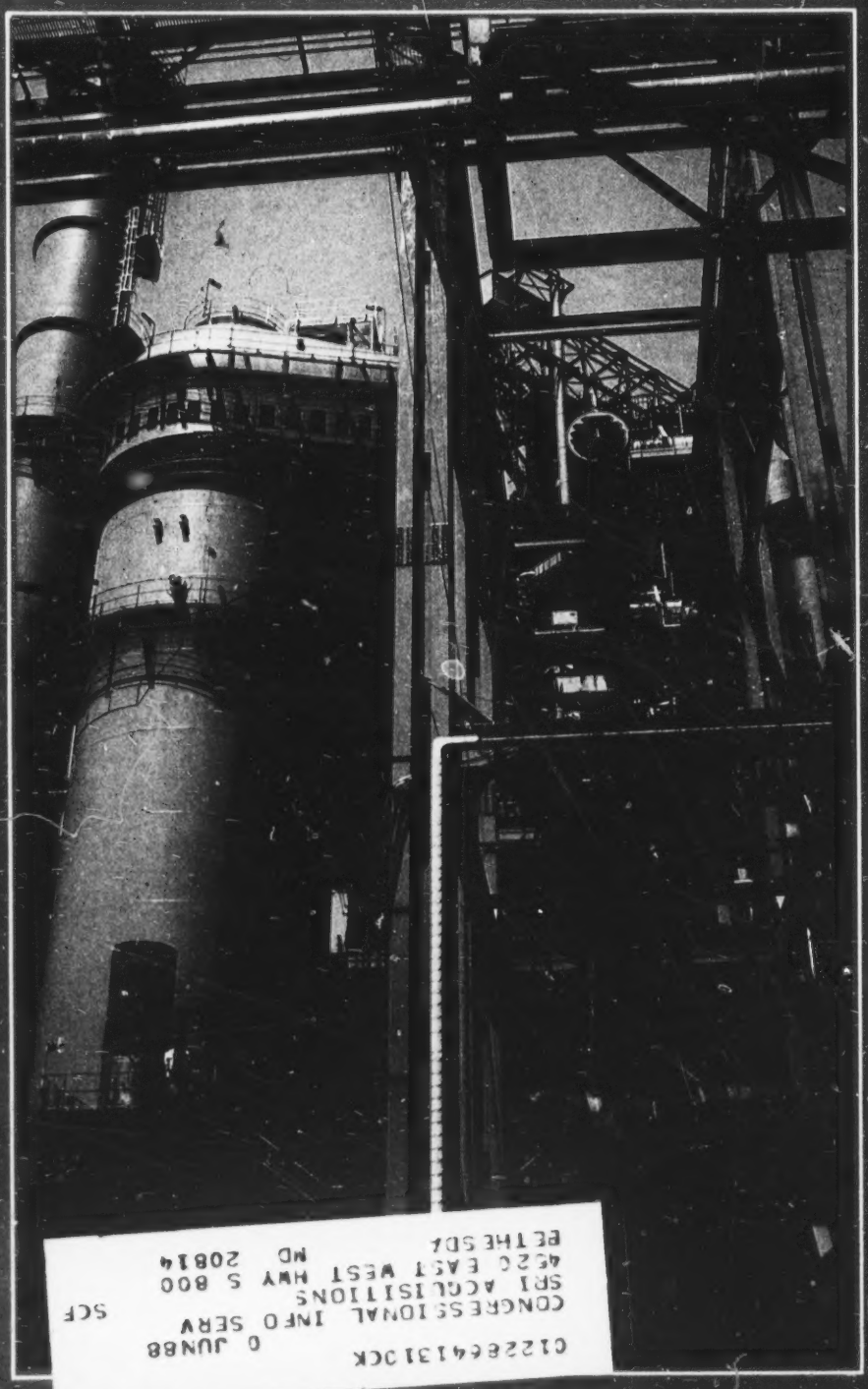
CHILTON'S

IRON AGE

September 17, 1984



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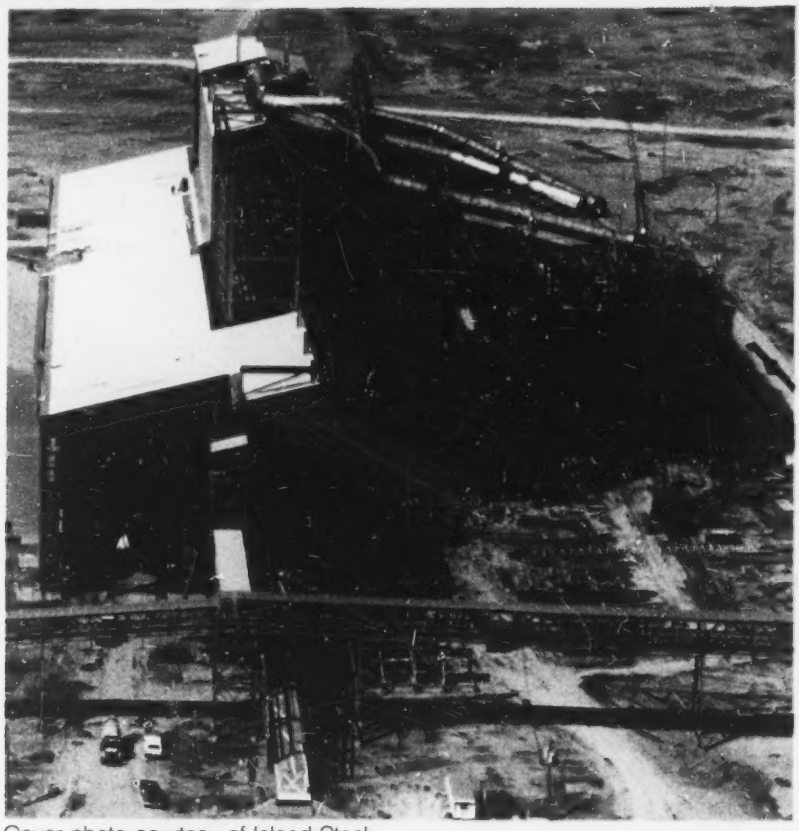
HOW CAPITAL SPENDING IS MAKING STEEL MORE COMPETITIVE

Plus
A Review of Project Startups

And
Plant Shutdowns

SEPTEMBER 17, 1984 VOL. 227, NO. 18

CHILTON'S
IRON AGE
METALS PRODUCER



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The arrangement would mark the first time a Japanese company would have a direct stake in the American aluminum industry.

Martin Marietta's Torrance facility has developed several proprietary melting and casting techniques.

Titanium and aluminum extrusions are produced there, along with aluminum forgings for the automotive and commercial aerospace markets.

Martin Marietta, which is based in Bethesda, Md., employs nearly 1,600 at the Torrance facility. The plant was expanded several years ago before the civilian aerospace slump of 1982 and 1983 from which the industry just recently has begun to recover.

Product orders from the automotive and other transportation industries have helped compensate for the commercial aerospace decline, but there has been speculation in some circles that Martin Marietta might be interested in selling the facility.

But the latest announcement seems likely to put those rumors to rest. It also is likely to again underscore the continued internationalization of California's basic industries.

Car imports already capture more than 50 pct of the market in the state, and General Motors is scheduled to join with Toyota later this year to jointly produce a new, small car at Fremont, Calif. near San Francisco.

Integrated steel manufacturers also have fallen victim to lower-priced foreign competition, and Kawasaki Steel Corp., another Japanese steelmaker, has a stake in the Kaiser Steel plant at Fontana, Calif., near Los Angeles.

World steel output up in first half; U.S. and Latin America post best gains

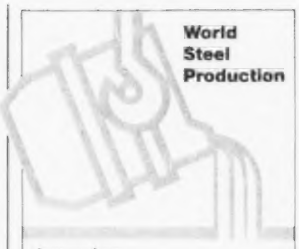
Raw steel output in the Free World was up 9.5 pct during the first six months of 1984 compared to the same period a year earlier, the International Iron and Steel Institute (IISI) reported.

The U.S. posted the best gain for the first half with a 27.9 pct increase, from 36.3 million metric tons in first six months of 1983 to 46.5 million metric tons in the first half of this year. Production sagged in July and August, but American steelmakers expect demand to rebound later in the year after the U.S. automakers resolve a new labor agreement with their unionized workers.

(Another factor that could affect on the American steel market is President Ronald Reagan's decision on the Bethlehem Steel Corp.—United Steelworkers of America petition for protection from imports. Mr. Reagan is scheduled to act on the U.S. International Trade Commission's recommendation for a combination of quotas and tariffs on Sept. 24—six weeks before the U.S. voters go to the polls.)

Production in Japan rose to 52.1 million metric tons, an 11.5 pct gain, in the first half compared to 46.7 million tons in same period of 1983. Steel makers in the European Economic Community (EEC) saw a similar percentage gain, with raw steel output totalling 60.8 million tons in the first six months of this year compared to 54.6 million tons in the first half of last year.

Latin American steel producers, meanwhile, posted a



World Steel Production

January-June

(In Thousands of Metric Tons)

	1983	1984	Pct Change
EEC	54,610	60,822	11.4
USA	36,348	46,483	27.9
Japan	46,733	52,128	11.5
Others	54,896	62,538	13.9
Total	192,587	221,971	15.3

Source: IISI

21.1 pct increase in production for the first half of 1984, to almost 16.2 million tons from 13.3 million tons in the first half of 1983.

According to the Instituto Latinoamericano del Fierro y el Acero (ILAFA), the region's steel industry could surpass its 1980 production record of more than 30 million tons in 1984 if output continues at the current pace.

Though production may be up, ILAFA said, the outlook for the region's industry remains clouded.

Insurance exec may purchase Bethlehem's Seattle plant

The story was a familiar for the West Coast's basic industries. The aging Bethlehem steel plant in West Seattle has been on the market for two years since the parent company decided to end West Coast steel production. But with the West Coast steel trade battered by foreign imports from Japan, South Korea and other markets, there were few takers.

Now the story may have a surprisingly happy ending.

Carl Meitzen, a local insurance executive, said in mid-August that he has signed an agreement to purchase the facility for $100 million. He plans to keep the furnaces open and the steel plant's 750 workers on the payroll. But Mr. Meitzen does plan to negotiate contract concessions with the United Steelworkers of America, which represents many employees at the plant.

The deal, described as the largest of its kind in the Pacific Northwest, still depends on the willingness of several banks to make loans to finance the purchase. But Mr. Meitzen told reporters the transaction is "99.5 pct" certain and that he expects to take over operations on Sept. 28.

The contract signing was witnessed by Washington Gov. John Spellman.

Mr. Meitzen is a Texas native and owner and chairman of C.E.M. Associates, a holding company based in Illinois that deals primarily with insurance. He has no previous experience with the steel industry. But he says he was looking for property in Seattle for commercial development when he became aware of the plant's availability. He believes with lower wage rates and upgraded equipment the facility can be profitably managed.

Mr. Meitzen will rely on the present staff to maintain operations. Bethlehem has indicated it would cost about $15 million to modernize the facility and make it competitive. The new owner says he's willing to spend the money, which would be used for installation of a continuous-caster.

The Bethlehem property spans 135 acres and includes a primary steel plant, a fabricating plant and an industrial-fastener facility. The plant was built in 1905

JAPAN: AISI CRITIQUE OF CBO REPORT INACCURATE

Four statements made by the AISI are challenged by the Japanese steel industry, with their views explained as to why they disagree.

In recent statements, especially in the July 15 issue of the its "Steel Comments" and July 20 "Critique" of the Congressional Budget Office statement on quota legislation, the American Iron and Steel Institute (AISI) provided inaccurate information on the Japanese steel trade issues. The Japan steel industry takes issue with these statements and wishes to set the record straight.

The AISI stated: "The Japanese like to express their concern for rising U.S. protectionism, but today when Japanese imports still account for less than 5 pct of domestic consumption, Japanese import policies are becoming even stricter.

"Subsidization . . . has been combined with a substantial closure of their own markets to foreign competition . . . to effectively insulate the Japanese market from imported products."

Nothing could be further from the the truth. In the first six months of 1984, steel imports into Japan were almost 2.5 million net tons, and accounted for 7 pct of all the steel consumed in Japan. In the full year 1983, imports were a record 3 million tons.

Over 90 pct of these imports came in duty-free under the GATT provision for special treatment for all developing countries. In contrast, the U.S. excludes all steel imports from developing countries from the GATT provision.

The foreign share of the Japanese market is low (actually 7 pct, not 5 pct) because Japan is more competitive with imports on most product lines. Japanese imports are concentrated in two commercial grades, hot-rolled coil and plate, where they make up more than 60 pct of the apparent consumption in the distributor/service center market.

The inference that the industry receives subsidies is totally incorrect. Every study done by the U.S. government agencies, and even by AISI's contracted firm, Putnam, Hayes & Bartlett, indicate no subsidization.

The AISI commented that Japanese banks provided "preferential access to cheap and plentiful investment capital . . . for modernization and expansion in the 1950s and 1960s."

Our response to that is that loans from government financial institutions accounted for 10 pct of the total supply of funds, at somewhat lower interest rates, during the post-War period up to 1955, but that percentage decreased conspicuously thereafter. In the period 1956—70, less than 0.5 pct of loans came from government institutions.

Regarding labor productivity, the AISI said that " The U.S. steel industry ranks with Japanese producers at actual operating rates for carbon steel production by integrated producers."

Productivity is a very complicated issue and much depends upon the methodology used. However, every expert other than the one cited (World Steel Dynamics) has found the Japanese to be more productive.

The AISI commented that Japanese steel producers have dumped seamless pipe and tube at unfair trading margins of about 23 pct and stainless clad plate at a margin of 14 pct.

Apparently the AISI was referring to the 1983 Babcock and Wilcox case in connection with seamless special tube production and another case involving the clad product, which was not produced by a major integrated Japanese steelmaker. The combined tonnages of these products into the U.S, has been less than 1 pct of total Japanese shipment to the U.S. The final conclusion in the seamless case was no dumping margin and in clad, a margin of 2 pct.

The AISI reaffirms that the American steel industry has said in the past that "Fairly traded steel imports are not the issue. The real issue concerns imports that violate U.S. trade laws."

The Japanese steel industry agrees but disagrees with a campaign that raises the specter of unfair Japanese trading activities when none exists.

(For another view, see p. 30.)

American Steel Imports
(000, Short Tons)

	Total From All Exporters	Total From Japan
May '84	1,998	551
Pct Change	−10.6	−21.3
June '84	1,785	434
Pct Change	+37.7	+74.7
June '83	1,297	248

Source: AIIS, 7/84

Based on a statement issued by the Japan Steel Information Center in response to statements made by the AISI.

AISI: CBO ANALYSIS FLAWED BY INACCURACIES

Due to unsupported conclusions and incorrect interpretations, the CBO document is said to be useless by the AISI.

American Steel Imports
(000, Net Tons)

Exporters	Six Months 1984	Six Months 1983
Total	12,466	7,200
Canada	1,684	1,110
Latin America	1,683	872
EEC	2,668	1,782
Other, Europe	1,567	473
Asia	4,451	2,600
Others	413	356
Japan	3,219	1,748

Source: AISI, 7/84

Based on a statement released by the American Iron and Steel Institute to set the record straight regarding the CBO critique of proposed steel import quota legislation and the effect on steel prices.

The critique of proposed steel import quota legislation released by the Congressional Budget Office (CBO) of the U.S. Federal Government contains inaccuracies, incorrect interpretations of data and unsupported conclusions. As a result, the CBO document is not a useful contribution to the current debate over the need for import quotas and their effects on the American economy. In our opinion the CBO vastly exaggerates the effects on steel prices; its analysis proceeds as if it were describing a worldwide market-driven steel industry, which is totally incorrect.

CBO's major omission is its failure to acknowledge that over the past 15 years foreign governments have provided $40–50 billion of subsidies to their steel industries and are still providing such subsidiaries.

Foreign government subsidies have permitted inefficient and unprofitable firms abroad to expand steel production. Excess capacity outside the U.S. is estimated to be at least 200 million tons. The result has been a breakdown in the international steel trade market mechanism.

While the CBO points out the declining use of steel per unit of GNP in the U.S., it fails to point out that this is true of all industrial countries. And it ignores that almost all other countries have been expanding steel capacity in the face of known decline.

The CBO fails to recognize that steel consumption in the U.S. (until the 1982—83 recession) has been steady and that demand has gradually shifted to higher-value, lighter, higher-strength and treated steels.

The CBO fails to acknowledge that the product range of mini-mills is still narrow, that the mini-mills have also taken market share from imports, and that mini-mills have not been a major factor in what CBO calls the "deteriorating performance" of basic steel.

CBO estimates of price increases in the near term, either with or without quotas, as being "so high compared with present price levels as to be totally inconsistent with those of most analysts." The CBO's projected profit potential is so great that were it true, the profits would solve the entire steel industry's problem of capital for mill modernization. CBO's result is totally inconsistent with real world expectations.

The CBO fails to recognize the costs of foreign steel to the U.S. economy. Imports which exceeded 15 pct (the quota bill market-share for imports) in 1983 resulted in: Steel industry shipments lost, 4.6 million tons; steel industry sales lost, $2.3 billion; total impact on GNP, $5.1 billion; government taxes lost, $1.1 billion; unemployment benefits paid, $350 million; jobs lost, direct and indirect, 62,000 persons.

An analysis by the Congressional Research Service shows the benefits to the national economy of: Increased steel industry sales, $12.8 billion; total impact on GNP, $28 billion; increased taxes collected, $6.1 billion; increased jobs, direct and indirect, 119,000 persons.

The CBO fails to acknowledge that each job in steel creates 2.3 other jobs.

We challenge its contention that U.S. industry can no longer compete in its home market. Independent studies show that there has been a reduction of $100 a ton in pre-tax costs since 1982, a factor that has largely been ignored.

The CBO criticism of U.S. steel industry investments does not acknowledge that for two decades the industry has invested substantially more in steel facilities than its cash flow from steel.

CBO is pretending that the world steel market has functioned in the past as it should, allocating capital and rewarding the relatively efficient with adequate profits and stable employment. It is not.

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PRICE & PRODUCTION DATA

(Effective August 27, 1984)

Steel production by districts, thousands of tons (000 omitted)

	Last Week	Two Weeks Ago	Month Ago	Year Ago
North East Coast	180	168	215	178
Pittsburgh	222	235	247	209
Youngstown	72	75	89	96
Lake Erie	114	113	109	132
Detroit	150	162	156	111
Chicago	410	421	452	467
Cincinnati	93	90	86	86
St. Louis	49	73	77	72
Southern	164	159	186	149
Western	68	74	78	89
U.S. Production	1,523	1,570	1,695	1,623

Source: American Iron & Steel Institute

Lake Superior Ore Prices

51.50% Fe Natural delivered lower Lake ports. Rail transportation, handling and unloading may be charged to the account of the buyer. Coarse ore 80¢ premium.

Pellets (per iron unit natural).....gross-ton 80.50-86.9*
Mesabi, regular-unscreened .....gross-ton $32.53
Mesabi, non-bessemer.....gross-ton $30.03-31.53**

*80.50¢—Pickands Mather as of 1/27/81.
86.9¢—U. S. Steel as of 3/15/82. Cleveland-Cliffs as of 2/26/82, Oglebay Norton as of 3/25/82, and Hanna Mining as of 2/26/82.
**Effective 8/1/83.

STEEL PRODUCTION, COMPOSITE PRICES

(Effective August 27, 1984)

U.S. Steel Production	Last Week	Two Weeks Ago	To Date 1984	To Date 1983
Net tons, in thousands	1,523	1,570	64,437	52,627
Capability Utilization Rate	59.0	60.8	73.2	53.5

Composite Prices	This Week	Week Ago	Month Ago	Year Ago
Finished Steel Base* (¢/lb.—eff. 7/1/84)	27.582	27.582	27.582	26.217
Pig Iron* * (Net ton=2000 lbs.)	$213.00	$213.00	$213.00	$213.00
Scrap No. 1 hvy.* * * (Gross ton=2240 lbs.)	$ 82.50	$ 82.50	$ 81.50	$ 76.17
No. 2 bundles	$ 51.50	$ 51.50	$ 50.83	$ 45.50

Scrap Comparison (Gross Ton)

No. 1 steel, Pittsburgh..	$ 87.50	$ 87.50	$ 86.50	$ 82.50
No. 1 steel, Philadelphia ..	81.50	81.50	80.50	68.50
No. 1 steel, Chicago.....	78.50	78.50	77.50	77.50
No. 1 bundles, Detroit.....	70.50	70.50	70.50	73.50
Low Phos., Youngstown ..	80.50	80.50	80.50	79.50
No. 1 mach'y cast., Pgh...	71.50	71.50	71.50	74.50
No. 1 mach'y cast., Phila .	98.50	98.50	98.50	95.50
No. 1 mach'y cast., Chi..	115.50	115.50	115.50	109.50

*Finished Steel Composite: Weighted index of steel bars, shapes, plates, wire, rails, black pipe, hot and cold rolled sheets and strips.
**Pig Iron Composite: Based on average prices for basic and foundry pig iron at representative producing points within the U.S.
***Steel Scrap Composite: Average of No. 1 hvy. melting steel scrap and No. 2 bundles delivered to consumers at Pittsburgh, Philadelphia and Chicago.

NONFERROUS PRICES

(Effective August 27 1984) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated.

Primary Metal Prices

(cents per lb.)	current price	last price	date of change
Aluminum (LME)	50.66	52.02	8/27/84
Copper (C)	66.00-	65.00- 66.00	8/24/84
Lead	28.00- 32.00	28.00- 34.00	8/6/84
Magnesium Ingot	148.00	143.00	5/25/84
Nickel (LME)	213.51	213.67	8/27/84
Titanium Sponge	555.00- 585.00	555.00	4/29/82
Zinc	48.00- 50.00	48.00	8/14/84

ALUMINUM: Avg. for last week & previous week. COPPER (C) = cathode. LEAD: common grade. MAGNESIUM: 99.8% pig, delivered. NICKEL: Avg. for last week & previous week. Canada. ZINC: high grade.

Antimony, American Laredo, Texas	$2.00
Beryllium-aluminum 5% Be, per lb. contained Be	$230.00
Beryllium-copper, per lb. cont. Be	$130.00
Beryllium 97% powder 200	$178.00
Cadmium, ton lots	$1.55
Calcium, ton lots, crown	$3.58
Chromium, 99.8%	$3.75
Cobalt, 99%, cathode	$12.50
Gold per troy oz.	$348.00
Indium, dollars per troy oz.	$3.30
Iridium, dollars per troy oz.	$500
Magnesium sticks, 10,000 lbs.	$1.97
Mercury, per 76-lb. f.o.b. N.Y.	$293-$310
Molybdenum, lb. tech. moly oxides, 20 lb. MO can	$6.85
Nickel electro (PDCR)	$3.29
Palladium, per troy oz.	$139
Platinum, per troy oz.	$343
Rhodium, per troy oz.	$700
Silver ingots, per troy oz.	$7.57
Vanadium	$6.00
Zirconium sponge	$12.00-$17.00

(Per lb. unless otherwise noted)

Straits Tin Price

(U.S. cents per lb, EX-SMELTER, based on daily market in Penang in Malaysian dollars per kilo.)

Aug. 20—567.64 Aug. 23—568.16
Aug. 21—567.64 Aug. 24—568.03
Aug. 22—567.64

Scrap Prices
Brass Mill Scrap

(Cents per lb; over 20,000 lbs. add 1¢ per lb)

	Solids	Turning
Copper	58½	57½
Yellow brass	55	54½
Red brass	55¾	55¼
Comm. bronze	56⅜	55½
Mang. bronze	58¼	50
Free cutting rod ends	60	59

Custom Smelters Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	55
No. 2 copper wire	46
Light copper	37

Ingot Makers Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	51
No. 2 copper wire	42
Light copper	33
No. 1 composition	53
No. 1 comp. turnings	51
Hvy. yellow brass solids	35
Hvy. yellow brass turnings	33
Radiators	40
Aluminum	
New mixed clips	37 —38
Old sheet	35 —36
Old cast	35 —36
Clean dry borings	36 —37

Dealers' Scrap

(Dealers' buying price f.o.b. New York in cents per pound)

Aluminum

Segregated clippings	35 —36
Mixed L.C. clips	32 —33
Old sheets and cast	28 —29
Borings and turnings	21 —22
Duraluminum clippings	27 —28

Copper and Brass

No. 1 copper wire	46 —47
No. 2 copper wire	38 —39
Light copper	34 —35
Radiators	33 —34
No. 1 composition	42 —43
No. 1 composition turn'gs	39 —40
Cocks and faucets	30 —31
Clean heavy yellow brass	29 —30
Brass Pipe	30 —31
New soft brass clippings	43 —44

Lead

Heavy soft lead	10 —11
Whole batteries	3 — 4
Type metal	16 —17
Electrotype	13 —14

Nickel

Nickel solids	120 —130
Nickel rod ends	120 —130
Nickel sheets, clips	120 —130
Nickel turnings	50 — 60

Zinc

New zinc clippings	18 — 19
Old diecast zinc	14 — 15

EFFECTIVE AUG. 27, 1984

(Effective August 27, 1984) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated. Prices are the opinions of *Iron Age* editors and correspondents, based on contacts with dealers, brokers, generators and users in the industry on the effective date listed above.

Ferrous Scrap Prices

Pittsburgh

No. 1 hvy. melting	$ 87.00 to	$ 88.00
No. 2 hvy. melting	77.00 to	78.00
No. 1 dealer bundles	98.00 to	99.00
No. 1 factory bundles (auto)	90.00 to	91.00
No. 2 bundles	53.00 to	54.00
No. 1 busheling	104.00 to	105.00
Machine shop turn	12.00 to	13.00
Shoveling turnings	49.00 to	50.00
Cast iron borings	48.00 to	49.00
Low phos. punchings plate	104.00 to	105.00
Heavy turnings	76.00 to	77.00
No. 1 RR hvy. melting	92.50 to	93.50
Rails 2 ft. and under	113.00 to	114.00
Scrap rails, random lgth	99.00 to	100.00
RR specialties	105.00 to	106.00
No. 1 machinery cast	71.00 to	72.00
Cupola cast	64.00 to	65.00
Heavy breakable cast	30.00 to	31.00
Stainless		
18-8 bundles and solids	550.00 to	560.00
18-8 turnings	450.00 to	460.00

Chicago

No. 1 hvy. melting	$ 78.00 to	$ 79.00
No. 2 hvy. melting	71.00 to	72.00
No. 1 dealer bundles	93.00 to	94.00
No. 1 factory bundles (auto)	87.00 to	88.00
No. 2 dealer bundles	49.00 to	50.00
No. 1 busheling	92.00 to	93.00
Shredder scrap	90.00 to	91.00
Machine shop turn	42.00 to	43.00
Mixed bor. and turn	43.00 to	44.00
Shoveling turnings	47.00 to	48.00
Cast iron borings	47.00 to	48.00
Low phos. forge crop	111.00 to	112.00
Low phos. punchings plate ¼ in. and heavier	121.00 to	122.00
Low phos. 2 ft. and under	116.00 to	117.00
No. 1 RR hvy. melting	83.00 to	84.00
Scrap rails, random lgth	89.00 to	90.00
Reroller rails	108.00 to	109.00
Rails, 2 ft. and under	113.00 to	114.00
RR couplers and knuckles	97.00 to	98.00
RR car axles	129.00 to	130.00
No. 1 machinery cast	115.00 to	116.00
Cupola cast	102.00 to	103.00
Stove plate	99.00 to	100.00
Steel car wheels	103.00 to	104.00
Stainless		
18-8 bundles and solids	490.00 to	500.00
18-8 turnings	420.00 to	430.00
430 bundles and solids	120.00 to	125.00
430 turnings	80.00 to	90.00

Philadelphia

No. 1 hvy. melting	$ 80.00 to	$ 83.00
No. 2 hvy. melting	70.00 to	73.00
No. 1 dealer bundles	95.00 to	98.00
No. 2 dealer bundles	50.00 to	53.00
No. 1 busheling	95.00 to	98.00
Shredder scrap	98.00 to	101.00
Machine shop turn	29.00 to	32.00
Mixed bor. and turn	29.00 to	32.00
Shoveling turnings	40.00 to	43.00
Low phos. 5 ft. and under	92.00 to	95.00
Low phos. 2 ft. punchings	115.00 to	118.00
Electric furnace bundles	101.00 to	104.00
RR specialties	98.00 to	101.00
Rails, 2 ft. and under	117.00 to	120.00
Cupola cast	72.00 to	75.00
Heavy breakable cast	57.00 to	60.00
No. 1 machinery cast	97.00 to	100.00

Detroit

Broker buying prices per gross ton on cars:

No. 1 hvy. melting	$ 51.00 to	$ 52.00
No. 2 hvy. melting	50.00 to	51.00
No. 1 dealer bundles	70.00 to	71.00
No. 2 bundles	35.00 to	36.00
No. 1 busheling	69.00 to	70.00
Drop forge flashings	43.00 to	44.00
Machine shop turn	45.00 to	46.00
Mixed borings and turn	23.00 to	24.00
Shoveling turnings	46.00 to	47.00
Cast iron borings	36.00 to	37.00
Heavy breakable cast	38.00 to	39.00
Mixed cupola cast	54.00 to	55.00
Automobile cast	77.00 to	78.00
Stainless		
18-8 bundles and solids	445.00 to	455.00
18-8 turnings	350.00 to	360.00
430 bundles and solids	100.00 to	110.00

Youngstown

No. 1 hvy. melting	$ 66.00 to	$ 69.00
No. 2 hvy. melting	47.00 to	50.00
No. 1 dealer bundles	79.00 to	82.00
No. 2 dealer bundles	35.00 to	38.00
Machine shop turn	13.00 to	16.00
Shoveling turnings	18.00 to	21.00
Low phos. plate	79.00 to	82.00
Electric furnace bundles	76.00 to	79.00
Galvanized bundles	67.00 to	70.00

Cleveland

No. 1 hvy. melting	$ 60.00 to	$ 63.00
No. 2 hvy. melting	37.00 to	40.00
No. 1 dealer bundles	68.00 to	71.00
No. 1 factory bundles	72.00 to	75.00
No. 2 bundles	19.00 to	22.00
No. 1 busheling	73.00 to	76.00
Machine shop turn	8.00 to	11.00
Mixed bor. and turn	8.00 to	11.00
Shoveling turnings	10.00 to	13.00
Cast iron borings	13.00 to	16.00
Cut structural & plates, 2 ft. and under	105.00 to	108.00
Low phos. punchings plate	105.00 to	108.00
Drop forge flashings	42.00 to	45.00
Foundry steel, 2 ft. & under	62.00 to	65.00
No. 1 RR hvy melting	79.00 to	82.00
Rails, 2 ft. and under	105.00 to	108.00
Rails, 18 in. and under	108.00 to	111.00
Steel axle turnings	59.00 to	62.00
Railroad cast	92.00 to	95.00
No. 1 machinery cast	102.00 to	105.00
Cupola cast	58.00 to	61.00
Stove plate	44.00 to	47.00
Stainless		
18-8 bundles	375.00 to	385.00
18-8 turnings	325.00 to	335.00
430 bundles	80.00 to	85.00

Buffalo

Broker buying prices per gross ton on cars:

No. 1 hvy. melting	$ 67.00 to	$ 68.00
No. 2 hvy. melting	56.00 to	57.00
No. 1 busheling	79.00 to	80.00
No. 1 dealer bundles	79.00 to	80.00
No. 2 bundles	37.00 to	38.00
Machine shop turn	14.00 to	15.00
Mixed bor. and turn	13.00 to	14.00
Shoveling turnings	17.00 to	18.00
Cast iron borings	22.00 to	23.00
Low phos. plate	95.00 to	96.00
Structural and plate, 2 ft. and under	96.00 to	97.00
Rails, 2 ft. and under	94.00 to	95.00
Scrap rails, random lgth	74.00 to	75.00
No. 1 machinery cast	79.00 to	80.00
No. 1 cupola cast	59.00 to	60.00

St. Louis

No. 1 hvy. melting	$ 66.00 to	$ 67.00
No. 2 hvy. melting	55.00 to	56.00
Foundry steel, 2 ft.	66.00 to	67.00
No. 1 dealer bundles	66.00 to	67.00
No. 2 bundles	54.00 to	55.00
Machine shop turn	17.00 to	18.00
Shoveling turnings	23.00 to	24.00
Cast iron borings	27.00 to	28.00
No. 1 RR hvy. melting	66.00 to	67.00
Rails, random length	70.00 to	71.00
Rails, 18 in. and under	89.00 to	90.00
RR specialties	85.00 to	86.00
Cupola cast	72.00 to	73.00
Heavy breakable cast	50.00 to	51.00
Stove plate	83.00 to	84.00
Steel car wheels	97.00 to	98.00
Rerolling rails	80.00 to	81.00
Unstripped motor blocks	56.00 to	57.00

Birmingham

No. 1 heavy melting	$ 73.00 to	$ 74.00
No. 2 heavy melting	65.00 to	67.00
No. 1 dealer bundles	73.00 to	74.00
No. 2 bundles	52.00 to	53.00
No. 1 busheling	73.00 to	74.00
Shredder scrap	93.00 to	94.00
Machine shop. turn	26.00 to	27.00
Shoveling turnings	40.00 to	41.00
Cast iron borings	40.00 to	41.00
Electric furnace bundles	64.00 to	65.00
Elec. furnace, 3 ft. & under	71.00 to	72.00
Structural and plate, 2 ft.	97.00 to	98.00
Structural and plate, 4 ft.	87.00 to	88.00
No. 1 RR hvy. melting	87.00 to	88.00
Scrap rails, random lgth	82.00 to	83.00
Rails, 2 ft. and under	102.00 to	103.00
Angles and splice bars	87.00 to	88.00
No. 1 cupola cast	84.00 to	85.00
Unstripped motor blocks	67.00 to	68.00

Cincinnati

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 59.00 to	$ 60.00
No. 2 hvy. melting	55.00 to	56.00
No. 1 dealer bundles	71.00 to	72.00
No. 2 bundles	33.00 to	34.00
Machine shop turn	5.00 to	6.00
Shoveling turnings	7.00 to	8.00
Cast iron borings	20.00 to	21.00
Low phos. 18 in. and under	88.00 to	89.00
Rails, random length	71.00 to	72.00
Rails, 2 ft. and under	87.00 to	88.00
No. 1 cupola cast	60.00 to	61.00
Heavy breakable cast	27.00 to	28.00
Drop broken cast	81.00 to	82.00

New York

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 50.00 to	$ 52.00
No. 2 hvy. melting	41.00 to	43.00
No. 2 dealer bundles	23.00 to	27.00
Mixed bor. and turn	11.00 to	13.00
Machine shop turn	6.00 to	7.00
Shoveling turnings	14.00 to	15.00
Clean cast. chem. borings	35.00 to	36.00
No. 1 machinery cast	89.00 to	90.00
Mixed yard cast	50.00 to	51.00
Heavy breakable cast	10.00 to	12.00
Stainless		
18-8 prepared solids	490.00 to	510.00
18-8 turnings	390.00 to	410.00
430 prepared solids	90.00 to	110.00
410 solids	80.00 to	90.00

Boston

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 65.00 to	$ 66.00
No. 2 hvy. melting	55.00 to	56.00
No. 1 dealer bundles	70.00 to	71.00
No. 2 bundles	39.00 to	41.00
No. 1 busheling	75.00 to	76.00
Shredder scrap	75.00 to	77.00
Machine shop turn	14.00 to	16.00
Shoveling turnings	22.00 to	24.00
No. 1 machinery cast	85.00 to	90.00
Mixed cupola cast	48.00 to	50.00
Heavy breakable cast	14.00 to	15.00

San Francisco

No. 1 hvy. melting	$ 45.00 to	$ 47.00
No. 2 hvy. melting	39.00 to	41.00
No. 1 dealer bundles	35.00 to	37.00
No. 2 dealer bundles	17.00 to	18.00
Machine shop turn	6.00 to	8.00
Cast iron borings	6.00 to	8.00
No. 1 cupola cast	81.00 to	83.00

Los Angeles

No. 1 hvy. melting	$ 46.00 to	$ 48.00
No. 2 hvy. melting	39.00 to	41.00
No. 1 dealer bundles	36.00 to	38.00
No. 2 dealer bundles	17.00 to	19.00
Machine shop turn	10.00 to	12.00
Shoveling turnings	8.00 to	10.00
Cast iron borings	6.00 to	8.00
Elec. furnace, 1 ft. and under (foundry)	77.00 to	79.00
No. 1 cupola cast	75.00 to	77.00

Seattle

No. 1 hvy. melting	$ 70.00 to	$ 72.00
No. 2 hvy. melting	59.00 to	61.00
No. 2 bundles	41.00 to	43.00
No. 1 cupola cast	94.00 to	95.00
Mixed yard cast	84.00 to	86.00

Hamilton, Ont.

Brokers buying price per net ton on cars:

No. 1 heavy melting	$ 90.00
No. 2 heavy melting cut 2 ft. and under	84.00
No. 1 dealer bundles	92.00
No. 2 bundles	48.00
Mixed steel scrap	62.00
Bush. new fact. prep'd.	92.00
Bush. new fact. unprp'd.	82.00
Machine shop turn	41.00
Short steel turn	43.00
Mixed bor. and turn	30.00
Cast scrap	73.00

Houston

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 73.00 to	$ 74.00
No. 2 hvy. melting	59.00 to	60.00
No. 2 bundles	42.00 to	43.00
Machine shop turn	16.00 to	17.00
Crushed turnings	34.00 to	35.00
Shredder scrap	78.00 to	79.00
Cut structural plate, 2 ft. and under	100.00 to	102.00
Cut structural plate, 5 ft. and under	87.00 to	89.00
Unstripped motor blocks	60.00 to	61.00
Cupola cast	75.00 to	76.00

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DURABLE ORDERS POST SMALL RISE

The predictable up and down movement of the economy moved up in one significant area in July—new orders for manufactured goods.

July new orders for durable goods rose fractionally—0.7 pct—to $100.5 billion after dropping in June. Durable goods industries are said to be on a roller coaster, but analysts doubt that the ups and downs are large enough to affect the economy negatively.

Capital goods orders in non-defense industries in July dropped for the second consecutive month while the defense industries' segment rose again. In the latter category, defense industries' orders rose 1 pct in July to $7.1 billion. Non-defense capital goods orders, a key indicator of business investment plans, declined 3.7 pct to $27.1 billion vs. June's $28.1 billion. In May such orders jumped a whopping 10.4 pct.

In metalworking, there were dramatic rises in July. Total machine tool orders rose 63 pct to $313.4 million compared with June's $191.8 million. Within that category, metalforming tools orders rose 192 pct to $177.6 million compared with the previous month's $60.8 million. Metalcutting machine tools orders were up 3.7 pct to $135.9 million compared to $131.0.

Primary metals new orders rose slightly—2.8 pct—to $10.9 billion. The increase broke a string of drops that had occurred in six of the previous seven months. There was no change in steel orders while iron and steel casting and nonferrous metals were up.

Transportation equipment orders were up $1.1 billion or 4.6 pct to $25.2 billion, the strongest showing since March.

Of the 26 categories shown, 15 were up in July compared with June, nine were down and two were unchanged. Economists interpret this as a further sign the economy is slowing, but not dramatically so. This year the orders pace has been slower, with declines posted in April and June.

Billions of Dollars, Seasonally Adjusted Monthly Total, unless otherwise noted **Source: U.S. Dept. of Commerce**		Latest Month or Qtr.	Previous Month or Qtr.	Same Period Year Ago
CAPITAL EXPENDITURES (Annual Rates)				
U.S. Industry, Total	2nd Qtr.	$303.8	$332.7	$302.2
Manufacturing, Total	2nd Qtr.	126.0	124.7	111.3
Manufacturing, Durable Goods	2nd Qtr.	58.3	59.2	50.9
Mining Industry	2nd Qtr.	13.3	13.6	14.6
KEY INDICATORS, Durable Goods Manufacturing				
New Orders	July	100.5	99.8	87.7
Shipments	July	97.8	99.2	85.6
Inventories	July	184.5	182.3	169.7
Unfilled Orders	July	347.5	345.3	307.5
NEW ORDERS, METALWORKING				
Capital Goods Producers, Nondefense Industries	July	27.1	28.1	21.6
Capital Goods Producers, Defense Industries	July	7.1	7.0	6.7
Primary Metals, Total	July	10.9	10.6	10.3
Steel (SIC 331)	July	4.5	4.5	4.2
Iron & Steel Castings (SIC 332)	July	1.3	1.2	1.0
Nonferrous Metals	July	5.1	4.9	5.1
Nonelectrical Mach.-Equip. Industries, Total	July	17.6	18.5	14.8
Engines & Turbines	July	2.0	1.5	0.9
Farm Machinery & Equipment (Shipments)	July	0.8	0.9	0.9
Construction, Mining & Mat. Hdlg. Equip.	July	2.9	3.0	2.5
General Industrial Machinery	July	1.4	1.5	1.2
Fluid Power Equipment** (Index-1972=100)	July	259.0	276.0	223.0
Metalworking Machinery	July	0.9	0.8	0.7
Machine Tools, Total ($ Mill., Unadjusted)***	July	313.4	191.8	173.4
Machine Tools, Metalcutting***	July	135.9	131.0	127.0
Machine Tools, Metalforming***	July	177.6	60.8	46.4
Electrical Mach. & Equip. Industries, Total	July	16.2	16.1	14.5
Elec. Transmission Equip. & Ind. Apparatus	July	1.9	2.0	1.7
Household Appliances	July	1.5	1.5	1.3
Communication Equipment	July	5.0	5.7	4.2
Transportation Equip. Industrial, Total	July	25.2	24.1	20.4
Motor Vehicles & Parts (Shipments)	July	15.7	15.3	12.4
Aircraft, Missiles & Parts	July	8.2	7.2	5.2
Shipbuilding & Military Tanks	July	0.6	0.9	1.7
Fabricated Metal Products, Total	July	10.9	11.1	9.9
Instruments, Total	July	5.0	4.9	4.5

*Est.—Commerce Dept.; **Source: National Fluid Power Assn.; ***Source: NMTBA